ECONOMIC COMMENTARY

Alberta's Labour Pressures

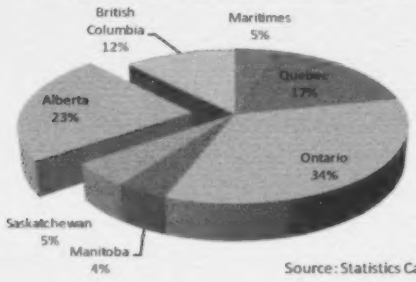
December 7, 2012

Highlights:
Recent trends in the number of job vacancies and on-line job postings suggest that labour pressures have risen in Alberta since the end of the "great recession" and that these labour pressures are much more severe in Alberta than in the rest of Canada.

Alberta
Government

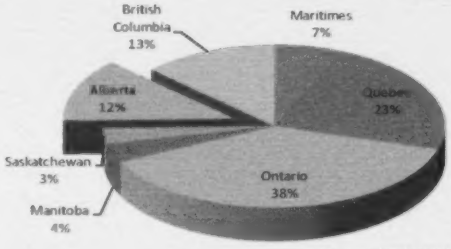
During the three-month period ending in August 2012[1], there were 61,900 job vacancies in Alberta, 15,700 more than the 46,200 vacancies for the same period of 2011. Job vacancies rose rapidly during the first three months of 2012, but have remained fairly stable since March 2012. Alberta's share of Canadian job vacancies was 23% in August 2012, up from 19% in August 2011. By comparison, Alberta's share of the total number of jobs in Canada was 12% in August 2012.

Provincial Shares of Canadian Job Vacancies



Source: Statistics Canada

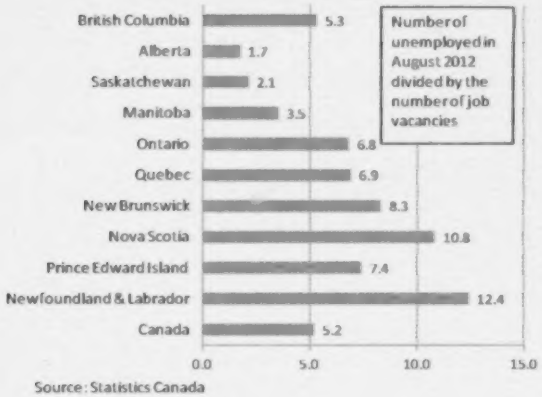
Provincial Shares of Canadian Employment



Source: Statistics Canada

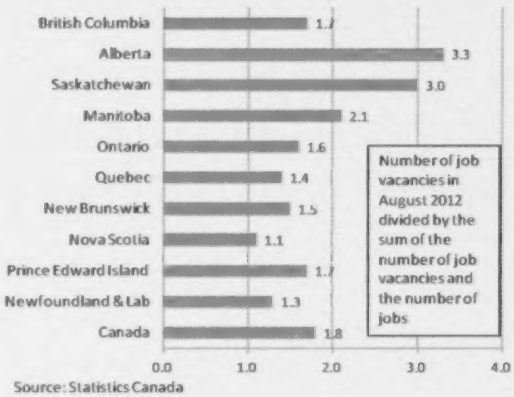
Because of the large increase in the number of vacancies in Alberta during the past year, the unemployment-to-job vacancies ratio fell sharply from 2.8 in August 2011 to 1.7 in August 2012. Alberta's ratio of 1.7 unemployed people for each job vacancy is much lower than Canada's 5.2 ratio, and Alberta now has the lowest ratio in the country.

Unemployment-to-Job Vacancies Ratios



Source: Statistics Canada

Job Vacancy Rates by Province (%)


British Columbia 1.7
Alberta 3.3
Saskatchewan 3.0
Manitoba 2.1
Ontario 1.6
Quebec 1.4
New Brunswick 1.5
Nova Scotia 1.1
Prince Edward Island 1.7
Newfoundland & Lab 1.3
Canada 1.8
0.0 1.0 2.0 3.0 4.0
Number of job vacancies in August 2012 divided by the sum of the number of job vacancies and the number of jobs

Source: Statistics Canada

One can also compare the number of job vacancies against the number of employed: job vacancy rate = (number of job vacancies) divided by (number of jobs plus number

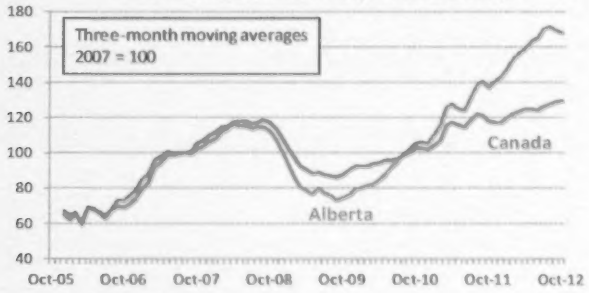
[1] **All data in this commentary are based on three-month moving averages. For example, the data for August are based on an average of the data for June, July and August. The source of all data is Statistics Canada's Business Payrolls Survey.**

of job vacancies). Alberta's job vacancy rate was 3.3% in August 2012, the highest rate in the country and higher than the 2.6% rate that was registered for Alberta in August 2011.

The industries with the highest job vacancy rates in Alberta are accommodation and food services, construction, and mining and oil and gas. The job vacancy rates in these three industries have been higher than 4% for the past six months (up to August 2012), and Alberta accounts for more than one-third of the total number of job vacancies in Canada in each of these three industries.

Another useful measure for examining Alberta's labour situation is the Conference Board of Canada's Help-Wanted Index (HWI), which is an indicator of the number of new jobs advertised online. Alberta's index rose sharply between 2005 and mid-2008 and declined by more than one-third during the recession. Since the end of the recession, the HWI has more than doubled. By comparison, Canada's HWI showed a similar trend to Alberta's up until its peak in mid 2008, but fell less sharply during the downturn and has seen much more modest growth during the past three years. There are some early signs that Alberta's index may have leveled off since July 2012.

Alberta and Canada's Help-Wanted Index



Source: The Conference Board of Canada